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UNCLAS MAPUTO 000220

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SUBJECT: PRESIDENT CHISSANO APPOINTS NEW MOZAMBICAN PRIME MINISTER

1. (U) On Tuesday, February 17, President Chissano formally announced the appointment of Luisa Diogo, the current Minister of Planning and Finance, as Prime Minister. The announcement of a new PM was expected, as former PM Pascoal Mocumbi had already announced his intention to leave his GRM post early (before the October 2004 national elections) to serve as High Commissioner of a new European Commission health body, the Europe-Developing Countries Clinical Trial Partnership (EDCTP). Mocumbi was relieved of his PM duties and Diogo installed on the same day. Diogo also retains her position as Minister of Planning and Finance.

2. (SBU) The choice of Diogo to serve as PM does not come as a complete surprise -- Diogo and Minister of Transport and Communications Tomas Salomao had been widely seen as the two most likely candidates to replace Mocumbi. She is the first woman in Mozambique to be appointed PM and is from the western province of Tete, as opposed to the other major GRM leaders that hail from the FRELIMO-heavy south. Diogo is a sharp leader and a tough manager in her position as Minister of Planning and Finance. She is currently one of three female ministers serving in the GRM. Unlike the two previous PMs, Diogo is not a member of the FRELIMO Political Commission, the most powerful FRELIMO body; however, she is a member of the larger FRELIMO Central Committee. She has sought out and established critical international relationships with donors and lending organizations. Her astute knowledge of the Paris Club process has been key to her prominent position in the GRM, given Mozambique's dependence on external budget support. Diogo studied economics at Maputo's most prestigious university, Eduardo Mondlane, and went on to receive a Masters degree in Economics from the University of London in 1992. She began working in the Ministry of Planning and Finance in 1980, making her way up to Department Head, National Budget Director, and Deputy Minister. Diogo was promoted to Minister by President Chissano after the 1999 national elections. In the early 90's, Diogo spent two years working for the World Bank as a Program Officer in Mozambique. Diogo is the founding force behind the GRM's Poverty Reduction Strategy (PARPA), approved by the Council of Ministers in April 2001. This strategy, which emphasizes economic growth through investment in human capital and productive infrastructure and institutional reform to improve the private sector investment climate, is a high priority for the GRM and will continue to be through 2005. President Chissano has communicated that Diogo will retain her position as Minister of Planning and Finance and fulfill new PM duties simultaneously.

3. (U) Radio de Mocambique reported the following additional candidates were also considered for PM: Minister of Transportation Tomas Salomao (short-listed with Diogo), FRELIMO Parliamentary bench leader Manuel Tome, former Minister of State Administration Oscar Monteiro, and Governor of Cabo Delgado Province Jose Pacheco.

4. (SBU) COMMENT: The appointment of Diogo to PM arguably makes her the most powerful woman in Mozambique. She is nationally and internationally respected in her position as Minister of Planning and Finance and has close ties with the donor community. Diogo's appointment serves various purposes and is timely for the FRELIMO-ruling GRM. With the country's third national elections set for late 2004, Chissano played his card at installing the country's first female PM in history and choosing a candidate from the country's central region. FRELIMO is hoping to make a statement with this appointment; the FRELIMO party is responsive to women around the country and to all regions, the south, central, and north. Post believes that Diogo will not do much to change the tide of Mozambique's political, economic, or social fabric in the ten months in which she serves as PM. Chissano is stepping down in the 2004 elections, and the new Mozambican president, whether he be FRELIMO or RENAMO, is expected to revamp the cabinet and appoint new ministers. Diogo may or may not be chosen to take part in the new GRM. END COMMENT.

LA LIME